

# COMMISSION AGREEMENT

This Independent Sales Representative Commission Agreement (this "Agreement") is entered into and made effective as of (the "Effective Date"), by and between **[PRINCIPAL COMPANY LEGAL NAME]**, a Corporation with an address of **[PRINCIPAL ADDRESS]** (the "Principal"), and **[COMMISSIONED PARTY LEGAL NAME]**, a Individual with an address of **[COMMISSIONED PARTY ADDRESS]** (the "Sales Representative" or "Representative").

## 1. Appointment and Scope

The Principal hereby appoints the Representative, and the Representative accepts the appointment, as a **non-exclusive** sales representative of the Principal for the solicitation of orders for the following products and services (the "Products"):

| *[PRODUCTS OR SERVICES TO BE SOLD]*

The appointment is non-exclusive. The Principal reserves the right to appoint other representatives, to sell directly to customers (including customers in the Territory), and to market the Products through other channels.

## 2. Term and Termination

This Agreement shall commence on the Effective Date and continue until terminated by either party upon **30 (thirty) days'** prior written notice to the other party.

**Termination for cause.** Either party may terminate this Agreement immediately upon written notice if the other party (a) materially breaches this Agreement and fails to cure within fifteen (15) days after notice of breach; (b) becomes insolvent, files for bankruptcy, or makes an assignment for the benefit of creditors; or (c) ceases to do business in the ordinary course.

## 3. Commissions

### 3.1 Rate and Basis

The Principal shall pay the Representative a commission equal to **10%** of the **Net Sales** of each order procured by the Representative and accepted by the Principal.

### 3.2 When Commissions Are Earned

A commission is **earned** upon the first to occur of the following with respect to a qualifying order: **issuance of the invoice to the customer.**

### 3.3 Payment Schedule

Commissions earned during a given pay period shall be paid to the Representative on a **Monthly** basis, within **15 (fifteen) days** after the end of the applicable period. Each payment shall be accompanied by a **commission statement** itemizing: the orders for which commission is paid, the customer and invoice number, the gross amount, any deductions, and the commission calculation.

### 3.4 Excluded Amounts

Unless otherwise agreed in writing, commissions shall not be paid on the following amounts: sales, use, excise, value-added, or similar taxes; freight, shipping, and insurance charges separately stated; credits, allowances, discounts, rebates, and refunds; bad debts written off; and orders from house accounts designated in writing.

### 3.5 Chargebacks

If, within **90 (ninety) days** after a commission is paid, (a) the customer returns or cancels the order, (b) the Principal refunds any portion of the purchase price, or (c) the customer fails to pay and the account is written off as uncollectible, the Principal may offset the corresponding commission amount against future commissions owed to the Representative. No chargeback shall reduce prior-period commissions below zero; any excess shall be waived.

### 3.6 Procuring Cause

The Representative is entitled to commission on any order for the Products from a customer as to which the Representative was the **procuring cause** — that is, whose efforts were the direct, proximate, and efficient cause of the order — regardless of whether the order is placed, accepted, shipped, or paid before or after the termination of this Agreement, subject to Section 4 below.

## 4. Post-Termination Commissions

Upon termination of this Agreement for any reason, the Representative shall continue to earn commissions on all orders (a) accepted by the Principal before the effective date of termination, and (b) accepted within **6 (six) months** after termination from customers the Representative procured before termination (the "Tail Period"). After the Tail Period, no further commissions shall accrue, except as required by applicable state law.

**Statutory floor.** If the applicable state commission-protection statute (see Section 9) imposes a longer post-termination commission period or a broader definition of "earned," **the statutory requirement controls** and supersedes this Section 4 to the extent of any conflict.

## 5. Representative's Duties

The Representative shall: (a) use reasonable commercial efforts to solicit orders for the Products; (b) transmit all orders promptly to the Principal for acceptance or rejection in the Principal's sole discretion;

(c) comply with the Principal's published price lists, credit terms, and sales policies as in effect from time to time; (d) refrain from making any warranty, representation, or guarantee on behalf of the Principal beyond those authorized in the Principal's written sales materials; (e) maintain all required licenses and permits and comply with all applicable laws; and (f) report sales activity periodically as the Principal reasonably requests.

## 6. Expenses

Unless otherwise agreed in writing, the Representative shall bear all of the Representative's own expenses, including travel, entertainment, office, communication, and marketing expenses.

## 7. Independent Contractor Status

The Representative is an **independent contractor** and not an employee, agent (except as specifically authorized to solicit orders), partner, or joint venturer of the Principal. The Representative is solely responsible for (a) federal, state, and local income taxes, self-employment taxes, and similar obligations; (b) the Representative's own workers'-compensation, disability, and unemployment insurance; (c) any employees or subcontractors engaged by the Representative; and (d) compliance with all laws applicable to the Representative's business. Neither party has authority to bind the other except as expressly provided herein.

## 8. Confidentiality

The Representative acknowledges that in the course of this engagement the Representative will receive Confidential Information of the Principal, including customer lists, pricing, margins, product specifications, sales strategies, trade secrets, and non-public business information. The Representative shall (a) hold all Confidential Information in strict confidence; (b) use it solely to perform under this Agreement; (c) not disclose it to any third party without the Principal's prior written consent; and (d) return or destroy all Confidential Information upon termination. The confidentiality obligations of this Section survive termination indefinitely as to trade secrets and for five (5) years as to other Confidential Information. Nothing herein limits rights under the Defend Trade Secrets Act, 18 U.S.C. §1833(b) (whistleblower immunity).

## Non-Solicitation

For a period of **12 (twelve) months** after termination of this Agreement, the Representative shall not, directly or indirectly: (a) solicit any customer of the Principal with whom the Representative had material contact during the last twelve (12) months of the engagement for the purpose of selling products or services competitive with the Products; or (b) solicit for employment or engagement any employee or contractor of the Principal.

## 9. State Commission-Protection Statute

## 10. Governing Law; Disputes

This Agreement is governed by the laws of the State of [STATE], without regard to conflict-of-laws principles.

## 11. General Provisions

**Entire Agreement.** This Agreement (including any exhibits) is the entire agreement between the parties and supersedes all prior discussions. **Amendment.** Only by a writing signed by both parties. **Assignment.** The Representative may not assign this Agreement without the Principal's prior written consent; the Principal may assign to a successor in connection with a sale of its business. **Notices.** In writing, delivered personally, by certified mail, or by recognized overnight courier to the addresses above. **Severability.** Invalid provisions shall be reformed to the extent possible; remaining provisions continue. **Counterparts; Electronic Signatures.** Executable in counterparts; electronic signatures valid under the federal ESIGN Act, 15 U.S.C. §7001 et seq.

## Signatures

### Principal

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

### Sales Representative

\_\_\_\_\_  
PRINTED NAME

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE